

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7429**

**BILL NUMBER:** SB 497

**NOTE PREPARED:** Feb 14, 2011

**BILL AMENDED:** Feb 14, 2011

**SUBJECT:** Higher Education Scholarship.

**FIRST AUTHOR:** Sen. Kruse

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill provides an Early Graduation Scholarship to a student who graduates from high school before Grade 12. It requires the State Board of Education to amend its rules to facilitate graduation from high school in less than seven semesters. The bill allows a student to participate in an early college, a dual credit, or a dual enrollment program during any grade in high school.

**Effective Date:** (Amended) Upon passage; July 1, 2011.

**Explanation of State Expenditures:** (Revised) The bill provides a \$3,500 Early Graduation Scholarship for each high school student that graduates a year early. The student would have to complete the necessary courses by Grade 11, apply for the grant, and enroll in an approved postsecondary education institution. The impact would depend on the number of students that might choose to graduate early. The state tuition support distributions to local schools would be reduced by the amount of the scholarships granted in each year.

During the 2009-2010 school year there were about 77,900 11<sup>th</sup> grade students and 73,000 12<sup>th</sup> grade students. (There are about 4,200 to 5,500 11<sup>th</sup> graders that do not become 12<sup>th</sup> grade students per each age cohort). For every 300 students that may qualify, about 0.4% of 11<sup>th</sup> grade students, the cost of the scholarships would be \$1 M. The tuition support distribution would be reduced by \$1 M.

The school corporation would count the student that graduated as an 11<sup>th</sup> grader in their ADM count the following year. The current school formula projections assume that 11<sup>th</sup> graders would continue to 12<sup>th</sup> grade. The provision should not increase the tuition support projections.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** (Revised) The school corporation would count the student that graduated as an 11<sup>th</sup> grader in their ADM count the following year. The average funding per student would depend on the school formula, but the 2011 average regular school formula funding per student is about \$5,336 per student. Schools would receive between \$4,390 to \$8,880 in tuition support funding for the student depending on the school formula.

Local schools would receive a reduction in tuition support revenue equal to the cost of the Early Graduation Scholarships. The net difference between tuition support the school receives and the scholarship would be between \$890 and \$5,300.

**State Agencies Affected:** State Student Assistance Commission; Department of Education.

**Local Agencies Affected:** Local schools.

**Information Sources:** Department of Education databases.

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